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FEDERAL PERKINS LOAN PROGRAM

Fact Sheet
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August 2010

What is the Federal Perkins Loan Program?

The Federal Perkins Loan Program, formerly called the National Defense Student Loan Program, was authorized under the National Education Act (1958). It is America's oldest federally subsidized student loan initiative. The program is named after Carl Perkins, a former delegate to the House of Representatives from West Virginia who also served as chairperson of the House Education Workforce Committee. Approximately 2,000 colleges and universities offer Perkins Loans.

How does a teacher benefit from participating in the Perkins Loan Program?

A percentage of a teacher's student loan will be cancelled for every year of teaching in a "low income" school. To determine if a place of employment is classified as a "low income" school, consult the U.S. Department of Education's website at <http://www.ed.gov/offices/OSFAP/Students/repayment/teachers/perkins.html>. The site lists places of employment that are currently classified as "low income" schools.

What are the requirements for eligibility?

There are three ways to qualify for eligibility:

- ♦ The borrower received a Perkins Loan on or after July 1, 1987, and teaches full time at a designated "low income" school. This "low income" school must be located within a school district that is currently receiving federal funds under Title I of the Elementary and Secondary Education Act (ESEA) of 1965. The school must have more than 30% of its students in the Free or Reduced Price Meals (FARMS) program.
- ♦ The borrower received a Perkins Loan on or after July 23, 1992, and teaches a subject in which there is a statewide shortage of instructors as identified by the Maryland State Department of Education. Subjects identified for school years 2009-2010 and 2010-2011 are: Bilingual Education and English Language Acquisition, Foreign Language, Mathematics, Reading Specialist, Science, and Special Education.
- ♦ The borrower received a Perkins Loan on or after July 1, 1987, and teaches disabled students at a public or private elementary or secondary school or the borrower provides services that are part of the educational curriculum for handicapped children. The educationally related services are: speech and language pathology and audiology, physical therapy, occupational therapy, psychological and counseling services, and recreational therapy.

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***What is the loan
cancellation rate
for a teacher
who qualifies?***

The following applies to a teacher who meets the eligibility requirements:

- 15% of the loan cancelled after completing the first year of teaching
- 15% of the loan cancelled after completing the second year of teaching
- 20% of the loan cancelled after completing the third year of teaching
- 20% of the loan cancelled after completing the fourth year of teaching
- 30% of the loan cancelled after completing the fifth year of teaching.

***How does a
person apply
for teacher loan
cancellation benefits?***

To apply for loan cancellation, the applicant must request two documents from the Student Loan Office where the college credit was earned. The first document, a *Postponement/Request Form*, must be submitted to the college or university at the beginning of the teacher's upcoming academic year. The second document, a *Cancellation Request Form*, must be submitted to the above mentioned college or university at the end of the borrower's next year of teaching. The college or university can approve or deny entrance to the loan cancellation program.

***Where can I get
more information?***

For more information, contact:

Program Improvement and Family Support Branch
Division of Student, Family and School Support
Maryland State Department of Education
200 W. Baltimore Street
Baltimore, Maryland 21201
Telephone: 410-767-0359